

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is made and entered into by and between Cheryl Coryea ("Coryea" or "Plaintiff"), and Rochester Independent School District #535 (together "RISD" or "Defendant"), collectively referred to as the Parties.

RECITALS

WHEREAS, on or about May 14, 2009, Plaintiff Cheryl Coryea commenced an action against RISD, claiming wrongful discharge and violation of the Minnesota Whistleblower statute, Minn. Stat. §181.932, Court File No. 55-CV-09-3824, in the Olmsted County District Court, State of Minnesota (the "Action");

WHEREAS, on or about August 5, 2009, Coryea served and filed an Amended Complaint asserting causes of action for wrongful discharge, violation of the Minnesota Whistleblower statute, and violation of the Minnesota Human Rights Act (also referenced as the "Action");

WHEREAS, RISD denied the allegations contained in the Complaint and Amended Complaint;

WHEREAS, the Parties desire to resolve the claims between them asserted in the Action; and

WHEREAS, the Parties have agreed to a full and final settlement of the disputed issues related to the Action.

NOW, THEREFORE, in consideration of the mutual promises of the Parties hereto and to fully and completely resolve the claims between them in this Action, the Parties and their respective counsel agree as follows:

1. Terms of Settlement.

a. Payment to Cheryl Coryea. As consideration for the covenants and promises contained herein, RISD will pay Cheryl Coryea the total sum of \$320,000 (Three hundred twenty thousand and no/100). The above-referenced amount shall be paid for the release of any and all claims, asserted or unasserted, arising out of or relating in any way to Coryea's employment or her cessation of employment with RISD or otherwise, including, but not limited to, claims arising out of or relating in any way to the Action.

b. Agreement Subject to Approval. The parties understand and acknowledge that any payments due and owing pursuant to this Agreement are subject to final review and approval by the RISD School Board and the Agreement is null and void if not approved by the RISD School Board. Coryea expressly acknowledges that RISD will not issue any payment to Coryea pursuant to this Agreement absent any necessary board approval.

c. Timing. Payment shall be made to Coryea by RISD following expiration of the rescission periods referenced below. No such payment shall be made under this Agreement until after the RISD School Board has approved and RISD has executed this Agreement.

d. Location. Payment will be made via check or cash to Cheryl Coryea and delivered to Coryea's attorney, Todd M. Johnson, Johnson Law Group LLP, 10580 Wayzata Boulevard, Suite 250, Minnetonka, MN 55305.

e. Attorneys Fees, Costs, Disbursements and Expenses. The parties acknowledge that they are responsible for their own attorneys' fees, costs, disbursements, and expenses.

f. Income Taxes. RISD shall issue a 1099 form to Coryea for the tax year 2012 in connection with this payment and shall not withhold any taxes from the payment. RISD shall not have any responsibility or liability for payment of income taxes or other tax-related obligations with respect to the aforesaid payment. Coryea agrees that she is solely responsible for payment of any and all tax-related obligations and the satisfaction of any and all liabilities created under the federal and state tax laws, including but not limited to any penalties assessed. RISD does not make any warranty concerning the treatment of any sums paid hereunder said laws and Coryea has not relied upon any such warranty.

2. Release by Plaintiff.

a. Release. Coryea hereby releases, agrees not to sue, and forever discharges RISD and its subsidiaries, divisions, affiliated entities, and its present officers, directors, agents, employees, and successor and assigns ("Releasees"), from any and all manner of claims, demands, actions, causes of action, administrative claims, liability, damages, claims for punitive or liquidated damages, claims for attorneys' fees, costs and disbursements, individual or class action claims, or demands of any kind whatsoever, Coryea has or might have against them or any of them, whether known or unknown, in law or equity, contract or tort, arising out of or in connection with Coryea's employment with RISD, or the separation of that employment, or otherwise, and however originating or existing, from the beginning of time through the date of Coryea signing this Agreement.

This release includes, without limiting the generality of the foregoing, any claims Coryea may have for wages, bonuses, deferred compensation, commissions, penalties, vacation pay, separation pay and/or benefits, defamation, improper discharge or retaliation (based on contract, common law, or statute, including any federal, state or local statute or ordinance prohibiting discrimination or retaliation in employment), alleged violation of the Minnesota Human Rights Act, the Minnesota Whistleblower statute, Title VII of the Civil Rights Act of 1964 as amended, the Older Workers Benefit Protection Act and Age Discrimination in

Employment Act, the Americans with Disabilities Act, and any claim for discrimination or retaliation based on a protected class under local, state or federal law. Coryea hereby waives any and all relief not provided for in this Agreement. Coryea affirms that she has not caused or permitted the filing of any charge, complaint, or action of any nature or type against the Releasees, including but not limited to any action or proceeding raising claims arising in tort or contract, or any claims arising under federal, state or local laws, including discrimination law.

Coryea releases and agrees not to sue and forever discharges and gives up all her claims as stated in the first paragraph of this Section 2(a) against the Releasees to the full extent allowed by law. This Agreement includes a release of Coryea's right to file a court action or to seek individual remedies or damages in any court action filed by any such government agency and Coryea's release of these rights shall apply with full force and effect to any proceedings arising from or relating to such recourse including, but not limited to, the right to monetary damages or other individual legal or equitable relief awarded by any governmental agency. Nothing contained in this Agreement, however, shall be construed to prohibit Coryea from seeking recourse through a government agency exercising any rights that are not allowed to be released by law. Provided, however, notwithstanding anything else herein, no claim arising after the date of this agreement including but not by way of limitation any claim related to the enforcement of this agreement ("Future Claim") is waived or released.

To the full extent permitted by law, Coryea agrees to withdraw any lawsuits, charges, complaints, claims, charges of discrimination and any other allegation or demand that Coryea currently has pending against the Releasees. In particular, Coryea agrees to sign a Stipulation of Dismissal with Prejudice of the Action she filed against RISD upon approval and signing of this agreement by RISD.

b. Consideration Period. Coryea understands that she may review this Agreement with an attorney of her choosing. Coryea has 21 days from the date she receives this Agreement to consider whether she wishes to sign it. Coryea acknowledges that if she signs this Agreement before the end of the 21 day period, it is her voluntary decision to do so, and she waives the remainder of the 21 day period.

c. Rescission. RISD hereby notifies Coryea of her right to rescind this Agreement within 7 calendar days of signing this Agreement to reinstate federal claims under the Age Discrimination in Employment Act and her right to rescind this Agreement within 15 calendar days of signing this Agreement to reinstate claims arising under the Minnesota Human Rights Act. In order to be effective, the rescission must: (1) be in writing; (2) be delivered to Marnie L. DeWall, Lindquist & Vennum P.L.L.P., 4200 IDS Center, 80 South 8th Street, Minneapolis, Minnesota 55402, by hand or by mail within the required period. If delivered by mail, the rescission must be postmarked within the required period, properly

addressed to Marnie L. DeWall, and sent by certified mail, return receipt requested.

3. Confidentiality. The parties shall not disclose the terms of this settlement other than as required by law or regulation and may only comment to others that the matter has been settled satisfactorily. The terms of this Agreement shall be confidential, except: (a) as required for school board approval at an open school board meeting; (b) as permitted in the first sentence of this paragraph; (c) for disclosure to legal counsel, accountants, insurers, medical providers, and State and Federal revenue departments, if necessary; (d) if a party is ordered to disclose such terms by a court of law or lawful tribunal; (e) as required by Minnesota law. Any such action in violation of this Paragraph 3 shall be a material breach of this Agreement entitling the aggrieved party to appropriate relief from the Court.

4. Non-disparagement. Coryea agrees that she will not disparage or defame RISD in any respect or make any negative comments concerning RISD, its past and present school board members, superintendents, cabinet, her employment relationship with RISD, the separation thereof, or the matters contained in this agreement. RISD agrees that its current school board members, superintendent, and cabinet will not disparage or defame Coryea, make negative comments to any person or entity about Coryea, her employment relationship with RISD, the separation thereof, or in any way attempt to damage her business or employment relationships, current or prospective. RISD also agrees to execute the letter of reference set forth in the attached Exhibit A.

5. Acknowledgment. The parties acknowledge that the terms of settlement referenced in this Agreement are the result of compromise and at no time shall the terms of this Agreement be considered for any purpose to be an admission of the truth by either Party of any allegation, claim, or contention of the other Party. Further, this Agreement shall not be construed as an admission of liability, negligence or of a wrongful act by either Party.

6. Choice of Law. This Agreement, and the interpretation and enforcement of its terms, shall be governed by the laws of the State of Minnesota.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement. Furthermore, signatures transmitted via facsimile shall be binding and treated in all respects as original signatures relative to this Agreement.

8. Entire Agreement. This Agreement constitutes the entire Agreement between the Parties and binds the parties, their officers, shareholders, directors, agents, employees, predecessors, successors, assigns, affiliates, receivers, parent corporations, affiliated corporations, subsidiary corporations, insureds and administrators. No modifications to this Agreement can be made unless agreed to by all the parties and made in writing.

9. Verification. Each of the parties further warrants and states that each has carefully read the foregoing Agreement, has had adequate opportunity to consult with legal counsel, has executed this Agreement as its own free act and deed, and each representative executing this Agreement hereby represents that he or she possesses the requisite authority to execute this Agreement on behalf of the respective party.

IN WITNESS WHEREOF, Plaintiff Cheryl Coryea and Defendant RISD have executed this Agreement on the dates indicated by their respective signatures below.

Dated: _____, 2012

ROCHESTER INDEPENDENT
SCHOOL DISTRICT #535

By: _____
Its: _____

Dated: _____, 2012

CHERYL CORYEA

By: _____
Cheryl Coryea

EXHIBIT A

April ____, 2012

TO WHOM IT MAY CONCERN:

Cheryl Coryea worked as the District's Director of Business Services from July 2005 to January 2008. A key element of the position was to address long-term financial forecasting and budgeting and to prepare and recommend a budget to the Board that reflected the strategic goals of the District.

In her position as Director of Business Services, Cheryl reported directly to the Superintendent, was a member of the District Cabinet and served as the chief financial and facilities advisor to the Superintendent and the Board. Cheryl was responsible for overseeing audit, investments, purchasing, payroll, budgeting, and general accounting as well as overseeing the auxiliary operations including: facilities planning, design, construction and operation; transportation; registration & records; food services; and health & safety.

Under Cheryl's guidance, the District implemented zero-based budgeting, developed a 10-year strategic facilities plan, refinanced debt and developed business plans and measurements for the auxiliary operations. Cheryl authored portions of the Baldrige Quality application that garnered the District a Baldrige Achievement award.

If you have any questions about the content of this correspondence, please contact me.

Sincerely,

Michael Muñoz
Superintendent